

RESOLUTION NO. 2017-28

**RESOLUTION APPOINTING THE CITY AUDITOR
FOR FISCAL YEAR 2016-17 THROUGH FISCAL YEAR 2018-19**

WHEREAS, State law requires the City's financial statements to be audited by a qualified independent auditor; and

WHEREAS, State law requires the City's financial and budget practices be audited to verify conformance with local budget laws in Oregon; and

WHEREAS, the Forest Grove City Charter specifies the City Auditor shall be appointed by the City Council; and

WHEREAS, the City's current auditor has completed its second three-year contract; and

WHEREAS, the staff is recommending that Boldt, Carlisle & Smith, LLC be appointed to another three-year term; and

WHEREAS, the firm of Boldt, Carlisle & Smith, LLC is willing to be the City's independent auditor for another three-year term.


NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1: The City Council appoints Boldt, Carlisle & Smith, LLC as the City's Auditor for the three fiscal years commencing July 1, 2016, and ending June 30, 2019.

Section 2: The City Council authorizes the City Manager or designee to sign a contract for services to perform the City's annual audit to comply with State law.

Section 3: This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 20th day of March 2017.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 20th day of March 2017.



Peter B. Truax, Mayor



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 7
MEETING DATE: 3/20/17
FINAL ACTION: Approved
20202017-28

CITY COUNCIL STAFF REPORT

TO: City Council

FROM: Jesse VanderZanden, City Manager

MEETING DATE: March 20, 2017

PROJECT TEAM: Paul Downey, Director of Administrative Services

SUBJECT TITLE: Resolution to Appoint City Auditor

ACTION REQUESTED:

<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	Order	<input checked="" type="checkbox"/>	X	Resolution	<input type="checkbox"/>	Motion	<input type="checkbox"/>	Informational
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X all that apply

ISSUE STATEMENT: The Forest Grove City Charter specifies the City Council appoint the City Auditor. The City's current auditor, Boldt, Carlisle, & Smith, LLC, (BCS) has completed its second three-year contract for audit services. Staff is recommending to Council that BCS be appointed for another three-year term for the audits of fiscal years ending June 30, 2017 through June 30, 2019.

BACKGROUND: The City Council appointed BCS to a second three-year contract which was completed when BCS completed the audit for the fiscal year ending June 30, 2016. The usual practice is for a request for proposal process to be conducted at the end of the second three-year contract with the incumbent audit firm being able to submit a proposal for consideration. Staff is requesting that the City reappoint BCS as the City's Auditor for another three-year term.

The City is currently converting to a new financial system. The conversion is expected to be completed in FY 2017-18. Conversions can be difficult for auditors because they have to review the City's internal control system which can change when a new system is implemented. It is easier for the current auditor to audit because that firm has an understanding of the current system where a new auditor has to learn the City's internal control documentation process. Staff is busy with the new system and has less time to work with new auditors.

Qualified municipal auditors are becoming harder to find as several of the larger CPA firms have stopped performing municipal audits. I spoke with several of the firms that still do municipal audits while I attending a recent Oregon finance officers' conference. They said they prefer not to come in as new auditors during a financial system conversion and it will add to the time and cost of the audit. Our current auditors have audited several other governments who have made the same financial software conversion that the City is currently making so they are familiar with the process and the software.

FISCAL IMPACT: The current auditors are proposing a three percent increase in audit fees over each of the next three years which is fairly standard for the industry.

STAFF RECOMMENDATION: Staff recommends the City Council approve the attached resolution appointing the City Auditor for fiscal years 2016-17 through 2018-19.

ATTACHMENT(s): Resolution Appointing the City Auditor for Fiscal Year 2016-17 Through Fiscal Year 2018-19